

In the Matter of the

FINANCIAL INSTITUTIONS ACT, RSBC 1996, c.141
(the “Act”)

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

LISA MAUREEN DEGRAAF
(the “Licensee”)

ORDER

As Council made an intended decision on March 11, 2025, pursuant to sections 231, 236, and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated April 8, 2025; and

As the Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

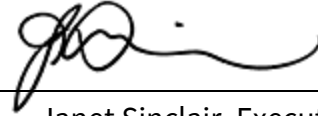
Under authority of sections 231, 236, and 241.1 of the Act, Council orders that:

- 1) The Licensee is fined \$5,000, to be paid by August 6, 2025;
- 2) The Licensee’s general insurance licence is cancelled;
- 3) The Licensee is required to complete the Ethics and the Insurance Professional course, available through the Insurance Institute of Canada (the “Course”), or equivalent course as acceptable to Council, prior to being licensed in the future;
- 4) The Licensee is assessed Council’s investigation costs in the amount of \$2,000, to be paid by August 6, 2025;
- 5) Council will not consider an application for any insurance licence from the Licensee for a period of three years, commencing on May 8, 2025 and ending at midnight on

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May 7, 2028, and until the fine and investigation costs are paid in full and the Course has been completed.

This order takes effect on the **8th day of May, 2025**

A handwritten signature in black ink, appearing to read 'Janet Sinclair', is positioned above a horizontal line.

Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

respecting

LISA MAUREEN DEGRAAF (the “Licensee”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee acted in compliance with the requirements of the Act, Council Rules and Code of Conduct relating to allegations that the Licensee misappropriated funds owed to the Insurance Corporation of British Columbia (“ICBC”).
2. On February 4, 2025, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference to discuss the investigation. An investigation report prepared by Council staff was distributed to the Committee and the Licensee prior to the meeting. Although the Licensee was notified of the Review Committee meeting, the Licensee did not attend. Having reviewed the investigation materials and after discussing the matter, the Committee prepared a report for Council.
3. The Committee’s report, along with the investigation report were reviewed by Council at its March 11, 2025, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

4. Pursuant to section 237 of the Act, Council must provide written notice to the Licensee of the action it intends to take under sections 231, 236 and 241.1 of the Act before taking any such action. The Licensee may then accept Council’s decision or request a formal hearing. This intended decision operates as written notice of the action Council intends to take against the Licensee.

FACTS

5. The Licensee was licensed as a Level 1 general insurance salesperson from March 18, 1987, to February 1, 2000. From February 15, 2000, to March 17, 2003, the Licensee held a Level 2 general insurance agent licence. From April 16, 2003, to October 31, 2011, the Licensee acted as nominee for an agency and held a Level 3 general insurance agent licence. From November 1, 2011, to June 25, 2021, the Licensee held a Level 3 general insurance agent licence again. As of April 19, 2024, the Licensee has held an inactive licence.

6. The Licensee held an authorization to represent an agency (“the Agency”) from November 2011 to April 19, 2024. Previously, the Licensee co-owned the Agency with a partner for 27 years.
7. On April 26, 2024, Council received an End Authorization to Represent (“EATR”) form from the Agency, which stated that the Licensee’s employment was terminated as the Licensee had misappropriated funds intended for an insurer.
8. On May 3, 2024, Council’s investigator requested additional information from the Agency relating to the EATR.
9. On June 17, 2024, the Agency provided Council with the Agency’s internal investigation report, an emailed statement from the Licensee to the Agency, an employment termination letter sent from the Agency to the Licensee, and a letter from the insurer to the Licensee.
10. On April 16, 2024, ICBC audited the Agency. The audit noted that two deposits received by the Agency on March 21, 2024, totalling \$2,266, were outstanding and had not been deposited to the insurer.
11. The audit results were reviewed with the Agency branch manager, DC, and the Licensee.
12. The Agency’s investigation report dated June 14, 2024, noted that on April 16, 2024, the day of the insurer’s audit, the Licensee phoned DC to advise that she had taken funds intended to be deposited to the insurer. DC stated that during the phone call, the Licensee admitted to taking \$2,000 but later said she had taken up to \$8,000. The Agency’s investigation report further noted that the Licensee had stated that while \$6,065 was missing from the Agency’s funds, the Licensee had taken cash on hand from the driver licensing office within the Agency and had taken \$4,705 for a family member. The Agency’s investigation report states that it conducted a full reconciliation of all accounts and noted a shortage of money just exceeding \$9,000 and that the Licensee had verbally admitted to taking up to \$8,000. It was also noted that the Licensee had only reported the theft once the insurer audit had begun.
13. The Agency’s investigation report included an email dated April 17, 2024, from the Licensee to the Agency. The Licensee stated that she had “started to really feel a lot of stress” when other employees at the Agency had gone on leave, and she was left to run the Agency alone. The Licensee further stated that she had “wanted to go on leave constantly but knew [she] was needed at work”. The Licensee stated that a family member had been “sent out in ambulance” to the hospital many times and as the family member’s condition was “getting worse and [she] was scared [she] owed money and [she] couldn’t keep up with everything”. The Licensee further explained that she had made a mistake and that she had started personal and credit counselling in February 2024. She also stated that she intended to return the cash she had taken from the Agency.
14. On April 19, 2024, the Agency sent written correspondence to the Licensee terminating her employment with cause. The reason stated in the termination was for “a theft by [the Licensee] of \$4705, to which you admitted”.

15. On June 14, 2024, the insurer sent a letter to the Licensee prohibiting her from conducting business with the insurer for a one-year period starting May 7, 2024, due to the Licensee depositing funds intended for the insurer into her personal bank account instead of the Agency's bank account.
16. Between June 19, 2024, and August 29, 2024, Council's investigator contacted the Licensee on several occasions in an attempt to schedule an interview to discuss the allegations. On September 5, 2024, the Licensee participated in an interview with Council's investigator. During the interview, the Licensee stated that she had taken the money to help a family member and that she intended to "pay it back when she got paid". The Licensee advised that a family member suffered from [REDACTED]. She further elaborated on how she is suffering from anxiety and stress. The Licensee admitted to taking cash from the Agency on two occasions, once in an amount of about \$2,600, and that the cash taken totaled around \$4,000.
17. Although the Licensee did not attend the Committee meeting, she provided an email dated January 20, 2025. In the email, the Licensee stated that DC had offered to help her pay back the funds she had taken so that the issue would not be raised to upper management. The Licensee denied taking up to \$8,000, as alleged by the Agency. The Licensee further stated that she is suffering from anxiety and depression and that this incident was the "lowest point in my life." Since being terminated by the Agency, the Licensee has taken on a new job with a significant pay cut.

ANALYSIS

18. Council concluded that the Licensee's actions constituted serious breaches of the fundamental licensing requirements of trustworthiness. Council noted the importance of ensuring that all licensees are relied upon to safeguard money entrusted to them properly. Insurers and clients rely on licensees to collect funds and to apply the funds for the purpose received. Although the Licensee denies taking a total of \$8,000, as stated by the Agency, the Licensee has admitted to taking up to \$4,000 in deposits intended for the insurer. Council determined that the Licensee used her position within the Agency and knowledge of the deposit system to keep funds for herself. Council found that the Licensee's actions amounted to conduct in the nature of theft or fraud and showed an inability to act with honesty and a lack of trustworthiness.
19. Council had serious concerns as to whether the Licensee could be entrusted to properly safeguard and account for money and property in the future, as the Licensee only admitted to the misconduct once the insurer audit had begun, and it became apparent that the Agency would learn of the cash discrepancy.
20. Council concluded that the Licensee's conduct amounted to breaches of Rules 7(2) and 7(8) and Code of Conduct section 3 ("Trustworthiness"), section 4 ("Good Faith"), section 5 ("Competence"), section 6 ("Financial Reliability") and section 8 ("Usual Practice: Dealing with Insurers").

PRECEDENTS

21. Council took into consideration the following precedent cases. While Council is not bound by precedent and each matter is decided on its own facts and merits, Council found that these decisions were instructive in providing a range of sanctions for similar types of misconduct.
22. [Victoria Kwong](#) (June 2023): The former licensee was terminated by the agency she worked for in March 2022. A customer of the agency informed the agency that a charge had appeared on their credit card statement for \$700. The agency's investigation confirmed that the former licensee had manually inputted the customer's credit card information to process her own Insurance Corporation of British Columbia Autoplan policy. The agency further discovered that the former licensee had completed another transaction for \$327 to process a debt the former licensee owed to ICBC. The agency was unable to verify the identity of the cardholder as there was no physical credit card receipt, and the agency never received a complaint for this charge. The former licensee advised Council staff that she believed the credit card she used for these two transactions was her husband's credit card, as she had it written down in a notebook. Council concluded that the former licensee used the client credit card information for her own benefit and that these actions amounted to conduct in the nature of theft or fraud. As the former licensee was experiencing difficult personal circumstances and was not currently licensed, Council ordered that the former licensee not be eligible to hold an insurance licence for three years, be required to take an ethics course and be assessed investigation costs.
23. [Lisa Anne Allan](#) (January 2020): In September 2018, the former licensee's agency found that she had misappropriated \$16,409.90 of ICBC funds for her own use. The former licensee admitted to taking the money. She was charged with theft over \$5,000 and was found guilty in May 2019. Through the restorative justice program, she received a conditional discharge that included three years of probation, 50 hours of community service and a requirement to pay \$6,000 of restitution to the agency. Council considered the fact that the former licensee was dealing with the consequences for her actions through the restorative justice program but also concluded that "as Council continues to encounter incidents of professional misconduct involving licensees misappropriating funds, it was determined that a lengthy period of disqualification from holding an insurance licence is necessary to communicate to the industry and public that such misconduct cannot be tolerated." Council ordered that no application from the former licensee would be considered for three years, required her to complete an ethics course before being licensed in the future and assessed her investigation costs of \$1,562.50.
24. [Sun Kyung Oh](#) (August 2018): The licensee was terminated by the agency she worked for in October 2017 when she was found to be responsible for the misappropriation of approximately \$8,000 in premiums. The licensee admitted to taking the funds and stated that she needed the money to pay for a relative's medical expenses and that she intended to repay the money. She repaid the agency within two weeks of the funds being found missing. Council took the licensee's repayment and co-operation into consideration as mitigating factors but found that a lengthy disqualification period was necessary to "send a clear message to the industry and to reinforce to the public that Council will not tolerate this type of conduct under any circumstances." Council ordered that her licence be cancelled, with no opportunity to re-apply for three years, and that she also be assessed investigation costs of \$1,000.

25. [Mark Daniel Norris](#) (March 2019): The licensee was found to have misappropriated funds from two agencies he was authorized to represent, totalling \$6,928. The licensee showed remorse for his actions and repaid the funds. He explained that he had been driven to misappropriate the funds due to financial and personal problems he faced at the time. Council ordered that the licensee be suspended for one year, downgraded to a Level 1 licence for two years following the suspension and assessed investigation costs of \$1,750.
26. [Vladimir Prokopchik](#) (September 2019): Between March and May 2018, the former licensee misappropriated \$2,484 in funds relating to five insurance transactions for mutual customers of an agency he represented at the time and a motor vehicle dealership where he conducted automobile insurance transactions. He kept cash intended to pay for Autoplan premiums for himself. Council ordered that no applications by the former licensee for insurance licences would be considered for three years and assessed him \$812.50 in investigation costs.
27. [Beata Stepniewski](#) (October 2013): The licensee was a Level 1 general insurance salesperson who on several occasions accepted cash payments from clients but failed to remit funds to the agency. The licensee committed additional misconduct, including using the credit cards of other agency clients to pay some of the premiums she did not remit and processing several changes to a policy to either increase or decrease coverage and forging the client's signature to do so. Council held that the licensee had failed to act in a trustworthy and financially reliable manner and in good faith. She was prohibited from holding an insurance licence for a minimum period of two years and ordered to pay Council's investigation costs.

MITIGATING AND AGGRAVATING FACTORS

28. Council considered relevant mitigating and aggravating factors in this matter. Council found the Licensee's statements about her mental health and personal circumstances to be mitigating factors. However, Council identified several aggravating factors. The Licensee, on at least two occasions, kept money that was meant to be deposited to an insurer for herself, which demonstrated a pattern of misconduct that Council found to be aggravating. Additionally, Council concluded that the Licensee's actions were a flagrant disregard for the law governing licensee conduct, given the Licensee's extensive licensing history and that she was a previous owner of an agency. The lack of trustworthiness poses a risk of harm to the public, as it is uncertain whether clients can entrust their money to someone who demonstrates untrustworthiness. Lastly, Council also found it aggravating that the Licensee has not taken any steps to repay the Agency the money and has not displayed remorse for her actions.

CONCLUSIONS

29. After weighing all of the relevant considerations, Council found the Licensee to be in breach of the Council's Rules and the Code of Conduct.

30. Council concluded that the Licensee's actions were self-serving, deceitful and caused harm to the Agency and a risk of harm to the public.
31. Council has concluded that it is appropriate to cancel the Licensee's licence and not consider a licence application from the Licensee for a period of three years. Additionally, Council found it appropriate to impose a fine of \$5,000. Further, Council concluded that the Licensee be required to complete an ethics course before being licensed in the future.
32. With respect to investigation costs, Council has concluded that these costs should be assessed to the Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

33. Pursuant to sections 231, 236 and 241.1(1) of the Act, Council made an intended decision that:
 - a. The Licensee be fined \$5,000, to be paid within 90 days of Council's order;
 - b. The Licensee's general insurance licence be cancelled from the date of Council's order;
 - c. The Licensee be required to complete the Ethics and the Insurance Professional course, available through the Insurance Institute of Canada (the "Course"), or equivalent course as acceptable to Council, prior to being licensed in the future;
 - d. The Licensee be assessed Council's investigation costs in the amount of \$2,000, to be paid within 90 days of Council's order; and
 - e. Council will not consider an application for any insurance licence from the Licensee for a period of three years and until the fine and investigation costs are paid in full and the Course has been completed.
34. Subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act, the intended decision will take effect after the expiry of the hearing period.

ADDITIONAL INFORMATION REGARDING FINES/COSTS

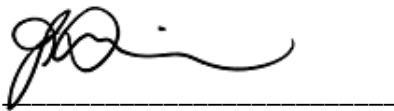
35. Council may take action or seek legal remedies against the Licensee to collect outstanding fines and/or costs, should these not be paid by the 90-day deadline.

RIGHT TO A HEARING

36. If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case in a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Licensee **must give notice to Council by delivering to its office written notice of this intention within fourteen (14) days of receiving this intended decision.** A hearing will then be scheduled for a date within a reasonable period of time from receipt of the notice. Please direct written notice to the attention of the Executive Director. **If the Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
37. Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority ("BCFSA") still has a right of appeal to the Financial Services Tribunal ("FST"). The BCFSA has thirty (30) days to file a Notice of Appeal once Council's decision takes effect. For more information respecting appeals to the FST, please visit their website at www.bcfst.ca or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia, on the **8th day of April, 2025.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director